

May 30, 2005

Performance Measurement of 2004/2005 Business Plan

Audit Results

Ontario Energy Board



**STRATEGY AND
ORGANIZATION
CONSULTING**

Where strategy and execution meet

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Background

The Ontario Energy Board developed and published a business plan with associated performance measures for the business year 2004/2005. The progress made against the stated objectives is tracked and monitored throughout the year to ensure achievement of the business plan goals. An audit trail of deliverables has been developed and updated internally to validate the stated progress against goals.

The corporate component of employee performance bonus is based on the level of achievement of the goals stated in the business plan. Eric Cousineau, (CMA) Managing Director of OCG, Strategy and Organizational Consulting, was retained to conduct an independent audit of the documented results.

The purpose of the independent audit is to ensure the integrity and transparency of our stated results.

Methodology

Mr. Cousineau was provided with the business plan, the stated performance measures and the internal audit trail.

Mr. Cousineau reviewed the internal audit trail and the associated documentation and made an independent assessment of the level of results recorded. In some instances, additional background information and reports were requested and reviewed to ensure the validity of the stated results.

Best Practices in Performance Measurement

A review of best practices in strategic planning and performance measurement methodology shows that there are two distinct styles of strategic planning measures.

The first style contains goals, activities and measures that are based on actions taken by the agency or are explicitly controllable by the agency. The plan's measures are basically drawn from milestones on the agency's business plan.

The second style tries to measure the outcomes or effects of regulatory and/or government policy. In this case, goals and measures relate to features or developments within the industry being regulated and are, in many cases, not directly controllable by the agency.

The trend is moving from utilizing the first style to the second.

The second approach reflects newer ideas in "smart regulation" or "smart government". The downside is that accountability may be somewhat blurred in this type of strategic plan due to difficulties in establishing cause and effect relationships between regulatory actions and industry outcomes. There is no direct line of sight between employees' actions and industry results.

A good strategic plan could contain performance measurement elements from both the first and second styles. Determining the appropriate mix of these two styles may be influenced by a regulator's degree of authority or jurisdiction over its industry.

Currently the Ontario Energy Board is measuring its performance based exclusively on the first style of performance measurement, utilizing goals, activities and measures that are based on actions taken by the agency or are explicitly controllable by the agency. In subsequent years, a mix of the styles of performance measures would more accurately measure the outcomes of performance and would capture the achievement level of stated goals as well as the effect on the energy industry as a result of the OEB's work.

Consideration should also be given to a priori weightings of objectives and measures as all goals and objectives are not equal in importance.

Summary of Results

Overall the Ontario Energy Board achieved 98.67% of the Key Business Objectives as identified in the Business Plan for 2004-2005.

Key Business Objective 1

Facilitate the implementation of government reforms in the electricity sector policy framework

Overall Status: 98.3%

Performance Measure Description	Status
A regulated price plan for electricity commodity charges is in place no later than May 2005, following a thorough and fair process with public input	100%
New electricity distribution rate policies and associated filing guidelines are in place	95%
Obligations given by new legislative direction have been met	100%

Key Business Objective 2

Facilitate the implementation of government reforms designed to build a conservation culture in Ontario

Overall Status: 100%

Performance Measure Description	Status
Consultations and plans have been completed in response to the government's smart metering directive to provide smart meters to 800,000 customers	100%
Effective March 1, 2005, electricity distribution companies are operating under clear guidelines on conservation investments that allow them to recover certain previously deferred rate increases	100%

Key Business Objective 3

Lay the groundwork for improved efficiency and effectiveness in the regulation of natural gas by conducting a comprehensive sector review

Overall Status: 100%

Performance Measure Description	Status
Discussion papers have been developed and undergone stakeholder review	100%
Technical consultations have taken place to enable stakeholder input	100%
Policy papers have been developed to inform the Board in its regulatory policy development and decision-making, and, where appropriate, recommend changes to regulatory frameworks	100%

Key Business Objective 4

Streamline our regulatory processes to ensure efficient, effective, and timely regulation

Overall Status: 96.1%

Performance Measure Description	Status
The Regulatory Agenda is effectively communicating the progress of applications before the Board	100%
In conjunction with stakeholders, the Board has produced processing standards with specific processing timelines for implementation in fiscal year 2005-2006	100%
Applicants, within 10 days of filing a compliant application, are notified when to expect the Board's decision	61%
90% of decisions are issued within 90 days of completion of final submissions	100%
All orders are issued within 60 days after the date of the final submission	100%
95% of licence decisions are issued within 45 days of last date of intervention and, if no intervention, upon completion of final submission	100%
90% of complaints in licensing disputes are resolved within 90 days of receipt	100%
Codes and rules are developed using transparent and open processes	100%
Guidelines are established for funding stakeholder participation in Board consultative processes	100%
There is active and meaningful participation with international regulatory bodies	100%

Key Business Objective 5

Provide oversight of the Ontario energy sector, protecting and balancing the interests of all participants and ensuring that rules are fairly and consistently applied

Overall Status: 100%

Performance Measure Description	Status
Our new Compliance Section structure is fully implemented operationally	100%
We have produced a clear and simple guide to the Board's compliance processes	100%
We are systematically tracking compliance and producing reports on the number and nature of compliance matters	100%

Key Business Objective 6

Help the public understand energy matters and make informed energy choices

Overall Status: 96.3%

Performance Measure Description	Status
Our consumer and stakeholder research is complete by January 31, 2005	100%
Our new management system for correspondence and complaints is fully operational by December 2004	85%
We have implemented communications initiatives to coincide with significant developments in the Board's work on a regulated price plan for electricity, plans for providing smart meters to customers and relevant issues in the natural gas sector	100%
We are meeting, a minimum of 80% of the time, standards for responding to the public: • Replying to standard correspondence within 15 business days • In our customer service centre, answering phone calls within three rings and responding to voicemail within 24 hours	100%

Key Business Objective 7

Improve our capability to deliver regulation more efficiently and effectively and in an accountable and transparent way

Overall Status: 100%

Performance Measure Description	Status
We have a new revenue model in place by April 1, 2005	100%
We have adopted benchmark performance standards	100%
We have a high level of staff retention, with voluntary turnover at an average level equal to or below that of the sector	100%
We have demonstrated a high level of employee Learning and Development aligned to our business goals	100%
We have published our first employee survey and established a baseline measure of employees' awareness of Board strategies and commitment to their work	100%

Audit Trail Report

2004-2005 Business Plan Performance Report Audit Trail

NOTES TO REPORT

Key Business Objectives – From 2004-2005 Business Plan

Performance Measures – From 2004-2005 Business Plan

Final outcomes and timelines – From 2004-2005 Business Plan: Objectives, Initiatives & Performance Report, Year-To-Date as of May 2, 2005

Audit Trail – From 2004-2005 Business Plan: Objectives, Initiatives & Performance Report, Year-To-Date as of May 2, 2005

Documents & Other Sources – Information taken from documents provided or sources identified by project lead

Key Business Objective 1 – Facilitate the implementation of government reforms in the electricity sector policy framework

Performance Measure

- A regulated price plan for electricity commodity charges is in place no later than May 2005, following a thorough and fair process with public input

Audit Trail	Documents & Other Sources
A Summary of stakeholder consultations on Board proposal	• RPP Proposal: Synopsis of LDC and Small Consumer Group Comments • Summary of Stakeholder/Public Comments on the Board's RPP Proposal: LDCs and Other Groups • Summary – RPP Proposal Comments
B Summary of stakeholder comments on code amendments	• Regulated Price Plan: Proposed SSS and RSC Amendments – Summary of LDC Submissions – February 2, 2005 • Comments on SSS and RSC Code Amendments – Non-LDC Stakeholders
C RPP Working Group Final Report	• Discussion Draft – Regulated Price Plan Working Group Report – November 24, 2004
D Summary of stakeholder comments on RPP Manual	• Regulated Price Plan: Draft manual – Summary of Stakeholder Comments: Large Consumers and Retailers
E Amendments to Standard Service Supply Code	• Standard Supply Service Code for Electricity Distributors – Revised March 11, 2005
F Amendments to Retail Settlement Code	• Amendments to Retail Settlement Code – March 11, 2005
G RPP Manual	• Regulated Price Plan Manual – March 11, 2005
H Price Forecast Report	• Ontario Wholesale Electricity Market Price Forecast for the Period January 1, 2005 Through December 31, 2006
I Price Setting Report	• Regulated Price Plan – Price Report for April 1, 2005 to March 31, 2006 – March 11, 2005
J Other*	• <i>Printout of Regulated Price Plan (RP-2004-0205) Information posted on OEB Web Site dated 05/04/2005</i> (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_regulatedpriceplan.htm)

* - Additional Audit Trail item that was not included in the 2004-2005 Business Plan: Objectives, Initiatives & Performance Report – Year-To-Date as of April 6, 2005

Key Business Objective 1 – Facilitate the implementation of government reforms in the electricity sector policy framework

Performance Measure

- New electricity distribution rate policies and associated filing guidelines are in place

	Audit Trail	Documents & Other Sources
A	2006 Draft Policies and Filing Guidelines for 2006 Electricity Distribution Rates	• Printouts of 2006 Electricity Distribution Rates (2006 EDR) – (RP-2004-0188) Information posted on OEB Web Site – 02/05/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_EDR.htm) • Printouts of Draft Electricity Distribution Rate Handbook – December 9, 2004 posted on OEB Web Site – 02/05/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_EDR_draftdrh.htm)
B	2007 Strawman on Cost Allocation Review	• Memorandum to Bill Rupert and Kirsten Walli from John Vrantisidis, Subject: Strawman re 2007 CA Review Marked "Working Draft – For Discussion Only" – March 15, 2005
C	2007 EDR Schedule	• Draft 2007 EDR Schedule – "SSPD Staff Strawman" (updated Feb 2005)

Key Business Objective 1 – Facilitate the implementation of government reforms in the electricity sector policy framework

Performance Measure

- Obligations given by new legislative direction have been met

	Audit Trail	Documents & Other Sources
A	By Law No. 3 (Market Surveillance Panel)	• By-Law #3 Market Surveillance Panel
B	Draft Protocol between IESO/OEB (Market Surveillance Panel)	• Protocol Relating To Market Surveillance Panel
C	Management Committee decision (IMO Market Rule Amendment)	• Draft Minutes of Meeting of the Management Committee – March 2, 2005

Key Business Objective 2 – Facilitate the implementation of government reforms designed to build a conservation culture in Ontario

Performance Measure

- Consultations and plans have been completed in response to the government's smart metering directive to provide smart meters to 800,000 customers

	Audit Trail	Documents & Other Sources
A	Record of consultation	• Printouts of Smart Meter Initiative (RP-2004-0196) Information posted on OEB Web Site (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_smartmeters.htm) ◦ Documents/Key Dates – 05/04/2005 ◦ Submissions – 28/01/2005 ◦ Final Submissions – 28/01/2005 ◦ Requests for Funding – 28/01/2005 • Ontario Energy Board Staff Discussion Paper – Implementation Plan for Smart Meters in Ontario – RP-2004-0196 • Smart Meter Implementation Plan – Report of the Board to the Minister – January 26, 2005
B	Report to Minister on implementation plan	
C	Letter to Minister	• Letter from Howard I. Wetston, Q.C., Chair to The Honourable Dwight Duncan, Minister of Energy – January 26, 2005
D	Report of the Board posted on website	• Printout of Smart Meter Initiative (RP-2004-0196) Information posted on OEB Web Site – Documents/Key Dates – 05/04/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_smartmeters.htm)

Key Business Objective 2 – Facilitate the implementation of government reforms designed to build a conservation culture in Ontario

Performance Measure

- Effective March 1, 2005, electricity distribution companies are operating under clear guidelines on conservation investments that allow them to recover certain previously deferred rate increases

	Audit Trail	Documents & Other Sources
A	DSM investment guidelines for distributors	• Preliminary Guidelines for Electricity Distributor Conservation and Demand Management Activities – July 16, 2004 • Printout of Current Bulletins posted on OEB Web Site – 21/04/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/bulletins.htm) • Announcement – Process to Apply for Establishing Deferral Account and Tracking Initiatives, and Release of Preliminary Guidelines for Distributor Conservation and Demand Management Activities – July 16, 2004 • Memorandum to All Licenced Electricity Distributors – Process to Apply for Establishing Deferral Account and Tracking Initiatives, and Release of Preliminary Guidelines for Distributor Conservation and Demand Management Activities – July 16, 2004 • Information Bulletin For Electricity Distributors – Electricity Distributor Conservation and Demand Management Activities – August 30, 2004 • Printout of Conservation and Demand Management (CDM) – Electricity Distributors (RP-2004-0203) posted on OEB Web Site – 29/04/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_distconservation.htm) • Procedural Order (RP-2004-0203) that outlines a process to address LDCs' conservation and demand management plans – October 5, 2004 • Memorandum (fax) from Peter O'Dell, Assistant Board Secretary to All Local Distribution Companies re: Amendment of the Accounting Procedures Handbook – Conservation and Demand Management, Account 1565, Board File No. RP-2004-0203 – October 29, 2004 • Memorandum from John Zych, Board Secretary to All Electricity Local Distribution Companies (LDCs) re: Reporting Requirement for Conservation and Demand Management (CDM) – Electricity Distributors (RP-2004-0203) – April 7, 2005
B	Number of final orders issued by the Board to March 31, 2005	• Summary of Conservation and Demand management (CDM) Plans – March 31, 2005
C	CDM Orders	• Orders issued (86)

Key Business Objective 3 – Lay the groundwork for improved efficiency and effectiveness in the regulation of natural gas by conducting a comprehensive sector review

Performance Measure

- Discussion papers have been developed and undergone stakeholder review
- Technical consultations have taken place to enable stakeholder input
- Policy papers have been developed to inform the Board in its regulatory policy development and decision-making, and, where appropriate, recommend changes to regulatory frameworks

	Audit Trail	Documents & Other Sources
A	Record of stakeholder consultation	• Printout of Natural Gas Forum – Consultation on Ontario's Natural Gas Market (RP-2004-0213) Information posted on OEB Web Site – Updates – 05/04/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_consultationontariosgasmarket.htm) • Title pages from File No.: RP-2004-0213 - done ◦ Natural Gas Forum: Technical Consultations on System Gas – Volume 1 – September 27, 2004 ◦ Natural Gas Forum: Technical Consultations on System Gas – Volume 2 – September 28, 2004 ◦ Natural Gas Forum: Technical Consultations on Storage – Volume 3 – September 29, 2004 ◦ Natural Gas Forum: Technical Consultations on Storage – Volume 4 – September 30, 2004 ◦ Natural Gas Forum: Technical Consultations on Rate Regulations, Focusing on PBR – Volume 5 – October 4, 2004 ◦ Natural Gas Forum: Technical Consultations on Rate Regulations, Focusing on PBR – Volume 6 – October 5, 2004
B	Posted on Board website "Natural Gas Regulation in Ontario: A Renewed Policy Framework"	• Printout of Natural Gas Forum – Consultation on Ontario's Natural Gas Market (RP-2004-0213) Information posted on OEB Web Site – Updates – 05/04/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_consultationontariosgasmarket.htm) • Natural Gas Regulation in Ontario: A Renewed Policy Framework – Report on the Ontario Energy Board Natural Gas Forum – March 30, 2005

Key Business Objective 4 – Streamline our regulatory processes to ensure efficient, effective, and timely regulation

Performance Measure

- The Regulatory Agenda is effectively communicating the progress of applications before the Board

	Audit Trail	Documents & Other Sources
A	Web site logs track posting of Regulatory Calendar updates	• See File 6.0 Appendix E – Web tracking log – Various dates
B	Automated process for updating transactions daily	• Printout of Regulatory Calendar posted on OEB Web Site – 24/04/2005 (http://www.oeb.gov.on.ca/html/en/hearingsanddecisions/regcalendar.htm) • Implementation of Regulatory Agenda – Case Management Reports on the Internet
C	Repository of update files for policy projects, oral hearings and future applications to be maintained	• For repository of update files for policy projects see printout of Regulatory Calendar posted on OEB Web Site – 24/04/2005 (http://www.oeb.gov.on.ca/html/en/hearingsanddecisions/regcalendar_projects.htm) • E-mail from Harriet South to Ann Gabriel subject: Calendar Repository (re: oral hearings) – 20/04/2005 • Access to the oral hearings repository can be arranged by contacting Neil McKay

Key Business Objective 4 – Streamline our regulatory processes to ensure efficient, effective, and timely regulation

Performance Measure

- In conjunction with stakeholders, the Board has produced processing standards with specific processing time lines for implementation in fiscal year 2005-2006
- Applicants, within 10 days of filing a compliant application, are notified when to expect the Board's decision
- 90% of decisions are issued within 90 days of completion of final submissions
- All orders are issued within 60 days after the date of the final submission
- 95% of licence decisions are issued within 45 days of last date of intervention and, if no intervention, upon completion of final submission
- 90% of complaints in licensing disputes are resolved within 90 days of receipt

	Audit Trail	Documents & Other Sources
A	Standards document developed Feb/05	• Memorandum from Allan Fogwill to Mark Garner, subject: Application Process Tasks, Time Lines and Accountabilities – February 24, 2005 • E-Mail from Neil McKay to Ann Gabriel, subject: New Performance Metrics – 20/04/2005
B	Report on 2004-05 application processing time lines	• Audit Trail for 2004-2005 Performance Report – Issue 4.2 B – April 27, 2005 (covering 1 metric: "notification of decision date to applicants within 10 days of filing compliant application implemented – October 2004") ◦ Of 160 applications, a sample of 88 shows that 63 letters were sent of which 54 or 61% were sent within the 10 day time limit • 2004-2005 Case Management Performance (covering 2 metrics: "90% of decisions are issued within 90 days of completion of final submission", and "95% of licence decisions are issued within 45 days of last date of intervention and, if no intervention, upon completion of final submission") • E-mails (2) from Neil McKay to Ann Gabriel, subject: Rate Case Numbers, and subject: 60 Day Metric – 25/04/2005 (covering 1 metric: "all orders are issued within 60 days after the date of the final decision") • Hard copy of decision files can be accessed in Library
C	Quarter 4 report (re: resolution of complaints in licensing disputes)	• E-mail from Brian Hewson to Ann Gabriel and Melanie Sangster, subject: 4th Quarter Results – CCMS – 05/05/05 • Quarter 4 report re: resolution of complaints in licensing disputes (covering 1 metric: "90% of complaints in licensing disputes are resolved within 90 days of receipt")

Key Business Objective 4 – Streamline our regulatory processes to ensure efficient, effective, and timely regulation

Performance Measure

- Codes and rules are developed using transparent and open processes
- Guidelines are established for funding stakeholder participation in Board consultative processes

	Audit Trail	Documents & Other Sources
A	Amended Electricity Retailer Code of Conduct	• Electricity Retailer Code of Conduct – December 20, 2004
B	Amended Gas Marketers Code of Conduct	• Code of Conduct for Gas Marketers – December 20, 2004
C	Amended Gas Affiliates Relationships Code posted on December 22, 2004	• Notice of Amendments – Affiliate Relationships Code for Gas Utilities – December 22, 2004
D	Amendments to Distribution System Code	• Notice of Amendment to a Code – Amendments to the Distribution System Code – March 29, 2005
E	Amended Transmission System Code	• E-mail from Gordon Ryckman, subject: Board Key Initiatives – TSC Amendment RP-2004-0220 – 21/04/2005 85% complete. This assessment was based on the following: - This Proceeding was initiated when the Board Policy Decision was issued June 8, 2004 - A proposed revised Code and revised Connection Agreement for load customers plus a new Connection Agreement for generators to reflect the Board Policy Decision was prepared and issued for stakeholder review on December 17, 2004 - Stakeholder submissions were received February 18, 2005 - Staff recommendations to address these submissions were prepared and submitted to the Panel March 31, 2005 - Work remaining after March 31, 2005 includes - o Make amendments to proposed revised Code based on staff comments and Panel direction - o Obtain stakeholder comments on proposed amendments - o Make any final modifications (if necessary) resulting from stakeholder comments on proposed amendments - o Issue final Code. This is presently scheduled for June 28, 2005 This second round of amendments represents approximately 15% of the total TSC amendment process. 85% of the work was in producing the initial proposed revised Code and reviewing the first round of stakeholder submissions. This part of the work was completed before March 31, 2005.

	Audit Trail	Documents & Other Sources
F	Amendments to Retail Settlement Code	• Amendments to Retail Settlement Code – March 11, 2005
G	Connection Directive Next Steps Report	• Connection Directive (RP-2003-0113) – Report on Next Steps – 30 September /04
H	Guidelines for funding stakeholder participation in Board consultative process	• Printout of Funding for stakeholder participation in regulatory policy initiatives from OEB Web Site – 21/04/2005 (http://www.oeb.gov.on.ca/html/en/industryrelations/ongoingprojects_fundingregpolicyinitiatives.htm) • Memorandum to multiple recipients from Peter O'Dell, Acting Board Secretary re: Funding for Stakeholder Participation in Regulatory Policy Initiatives – June 23, 2004 • <i>Printout of Regulatory Instruments posted on OEB Web Site – 15/04/2005</i> (http://www.oeb.gov.on.ca/html/en/industryrelations/rulesguidesandforms_regulatory.htm)
I	Other*	

* - Additional Audit Trail item that was not included in the 2004-2005 Business Plan: Objectives, Initiatives & Performance Report – Year-To-Date as of April 6, 2005

Key Business Objective 4 – Streamline our regulatory processes to ensure efficient, effective, and timely regulation

Performance Measure

- There is active and meaningful participation with international regulatory bodies

Audit Trail	Documents & Other Sources
A Year-end Report on NERC Committee Activity	• Speech by Howard I. Wetston, Chair to Canadian Association of Members of Public Utility Tribunals – Competition in Electricity Markets: Lessons Learned and Future Challenges – May 10, 2004 • E-mail from Peter Fraser to Jan Carr and Brian Hewson, subject: NERC Stakeholders • Cmte/Board of Trustees meeting 14-15 October – 18/10/2004 • E-mail from Peter Fraser to Jan Carr, Brian Hewson and Bill Rupert, subject: NERC Planning and Operating Committee highlights Kansas City Nov 8-11 – 12/11/2004 • E-mail from Peter Fraser to Brian Hewson, Bill Rupert and Howard Wetston, subject: NERC Planning and Operating Committee meetings March 16-17, Long Beach CA – 22/03/2005
B Other*	• 2005 Electricity Invitational Forum February 2-4, 2005 – Presentations by Howard Wetston, Bill Rupert, Peter Fraser • National Energy Board Regulatory Improvement Workshop November 8, 2004 – Participation by George Vegh and Kirsten Walli • CAMPUT: Activities of OEB Member and Staff in 2004-2005 • 2004 Risk Advisory Regulatory Summit: Commodity Risk Management in the North American Gas & Electric Utility Sector October 21-22, 2004 – Presentation by Bill Rupert

* - Additional Audit Trail items that were not included in the 2004-2005 Business Plan: Objectives, Initiatives & Performance Report – Year-To-Date as of April 6, 2005

Key Business Objective 5 – Provide oversight of the Ontario energy sector, protecting and balancing the interests of all participants and ensuring that rules are fairly and consistently applied

Performance Measure

- Our new Compliance Section structure is fully implemented operationally

	Audit Trail	Documents & Other Sources
A	New Compliance Section organizational structure	• Compliance Office Organization Chart with names • Approval of Compliance Policy and Compliance Committee Terms of Reference – Draft Minutes of Meeting of Management Committee January 5, 2005 • E-mail from Brian Hewson to Compliance Section staff, subject: Compliance Policy – 20/01/2005 • Responsibilities of the OEB's Chief Compliance Officer

Key Business Objective 5 – Provide oversight of the Ontario energy sector, protecting and balancing the interests of all participants and ensuring that rules are fairly and consistently applied

Performance Measure

- We have produced a clear and simple guide to the Board's compliance processes

	Audit Trail	Documents & Other Sources
A	Guide to compliance processes posted on web site	• Printout of Compliance Office from OEB Web Site – 24/04/2005 • (http://www.oeb.gov.on.ca/html/en/industryrelations/complianceoffice.htm) • Extract from Management Committee Minutes – Compliance Committee of Board – March 3, 2005

Key Business Objective 5 – Provide oversight of the Ontario energy sector, protecting and balancing the interests of all participants and ensuring that rules are fairly and consistently applied

Performance Measure 5.3

- We are systematically tracking compliance and producing reports on the number and nature of compliance matters

	Audit Trail	Documents & Other Sources
A	Monthly reports saved on G: drive	• Repository of monthly reports is accessible on G:/drive; access can be arranged by contacting Brian Hewson • Sample reports: ◦ Retail Energy Market Compliance and Activity Reports, October 2004 – January 2005 (4) ◦ Compliance Office Activities, February – March 2005 (2)

Key Business Objective 6 – Help the public understand energy matters and make informed energy choices

Performance Measure

- Our consumer and stakeholder research is complete by January 31, 2005

Audit Trail		Documents & Other Sources
A	Research findings	• Public Perceptions of Energy Issues in Ontario Report – Prepared by Environics Research Group Ltd. – November 2004 • Stakeholder Perception Survey Report – Prepared By National Public Relations – December 2004
	News releases for research	• Press Releases – January 7, 2005 (2) • Sample letter announcing release to major stakeholders – January 6, 2005 • Printout of Press Releases posted on OEB Web Site – 01/04/2005 (http://www.oeb.gov.on.ca/html/en/communications/pressreleases.htm)
C	Web site logs track postings	• File 6.0 Appendix E – Web tracking log – January 7, 2005

Key Business Objective 6 – Help the public understand energy matters and make informed energy choices

Performance Measure

- Our new management system for correspondence and complaints is fully operational by December 2004

	Audit Trail	Documents & Other Sources
A	Demonstration of tracking system for correspondence and complaints management	• Contract and invoices • Memorandum from Donna Garant, Manager, Communications and Brian Hewson, Chief Compliance Officer, Subject: Status of the Board's Correspondence and Complaints Management System – April 6, 2005 - o 85% assessment of completion of system as of March 31, 2005 based on payments against deliverables • System demo available upon request by contacting Donna Garant

Key Business Objective 6 – Help the public understand energy matters and make informed energy choices

Performance Measure

- We have implemented communications initiatives to coincide with significant developments in the Board's work on a regulated price plan for electricity, plans for providing smart meters to customers and relevant issues in the natural gas sector

	Audit Trail	Documents & Other Sources
A	Communications plans and records of implementation	• Natural Gas Forum – File 6.4.B • Smart meters – File 6.4.D • <i>Regulated Price Plan</i> – File 6.4.A* • <i>Relevant Issues in the Natural Gas Sector</i> – File 6.4.C* • 2005 Electricity Distribution Rates – File 6.4.E*
B	Media coverage report	• Natural Gas Forum – File 6.4.B • Smart meters – File 6.4.D • <i>Regulated Price Plan</i> – File 6.4.A* • <i>Relevant Issues in the Natural Gas Sector</i> – File 6.4.C* • 2005 Electricity Distribution Rates – File 6.4.E*
C	Website logs track postings	• File 6.0 Appendix E – Web tracking log – various dates
D	Communications materials, e.g., press releases, backrounders, fact sheets*	• Natural Gas Forum – File 6.4.B • Smart meters – File 6.4.D • <i>Regulated Price Plan</i> – File 6.4.A* • <i>Relevant Issues in the Natural Gas Sector</i> – File 6.4.C* • 2005 Electricity Distribution Rates – File 6.4.E*

* - Additional Audit Trail items that were not included in the 2004-2005 Business Plan: Objectives, Initiatives & Performance Report – Year-To-Date as of April 6, 2005

Key Business Objective 6 – Help the public understand energy matters and make informed energy choices

Performance Measure

- We are meeting, a minimum of 80% of the time, standards for responding to the public:
 - Replying to standard correspondence within 15 business days
 - In our customer service centre, answering phone calls within three rings* and responding to voicemail within 24 hours

*Note: the automated telephone system in the customer service centre answers calls within 3 rings. As of Quarter 2, results target is to answer 80% of calls within 20 seconds. This is an industry standard.

Audit Trail		Documents & Other Sources
A	Monthly management reports, ACD/IVR system reports and manual logs	• Ontario Energy Board – Correspondence Unit – Monthly Performance Measures Report: Fiscal 2004-05 • OEB customer service centre activity report 2004/2005 • IVR incoming calls report • Call Back Log • ACD/IVR system logs and manual reports available for viewing upon request by contacting Donna Garant, Manager, Communications

Key Business Objective 7 – Improve our capability to deliver regulation more efficiently and effectively and in an accountable and transparent way

Performance Measure

- We have a new revenue model in place by April 1, 2005

Audit Trail		Documents & Other Sources
A	Solicitation letter and distribution list	• Letter to All Natural Gas And Electricity Market Participants in Ontario, re: New Cost Assessment Model for the Ontario Energy Board – November 1, 200 • Distribution List For Solicitation Letter For Cost Assessment Model
B	Web site invitation to provide input	• Printout of What's New – 2004 posted on OEB web site – 12/04/2005 (http://www.oeb.gov.on.ca/html/en/communications/whatsnewarchive2004.htm)
C	Stakeholder feedback	• Submissions from stakeholders (16)
D	Assessment Regulation	• Ontario Regulation 97/05 – Assessment of Expenses and Expenditures – March 11, 2005 (Page 1)
E	Final CAM	• Ontario Energy Board Cost Assessment Model – March 16, 2005
F	CAM Development and Consultation Process Report	• Report on the OEB Cost Assessment Model Development and Consultation Process

Key Business Objective 7 – Improve our capability to deliver regulation more efficiently and effectively and in an accountable and transparent way

Performance Measure

- We have adopted benchmark performance standards

	Audit Trail	Documents & Other Sources
A	Approved 2005-2008 Business Plan incorporating benchmarked performance measures	• 2005-2008 Business Plan – January 2005 incorporating performance measures
B	Analysis of research to establish benchmarked performance measures	• Review of Strategic Planning in Other Jurisdictions – August 31, 2004

Key Business Objective 7 – Improve our capability to deliver regulation more efficiently and effectively and in an accountable and transparent way

Performance Measure

- We have a high level of staff retention, with voluntary turnover at an average level equal to or below that of the sector

	Audit Trail	Documents & Other Sources
A	Public sector and OEB data	• Recruitment Report – Year 2004

Key Business Objective 7 – Improve our capability to deliver regulation more efficiently and effectively and in an accountable and transparent way

Performance Measure

- We have demonstrated a high level of employee Learning and Development aligned to our business goals

Audit Trail		Documents & Other Sources
A	Report on training and development activities and costs	• Employee Learning and Development 2004-2005 • Learning and Development Summary – January 1, 2005 to March 31, 2005 • Ontario Energy Board Learning and Development Policy – August 2004

Key Business Objective 7 – Improve our capability to deliver regulation more efficiently and effectively and in an accountable and transparent way

Performance Measure

- We have published our first employee survey and established a baseline measure of employees' awareness of Board strategies and commitment to their work

Audit Trail		Documents & Other Sources
A	Published copy of employee survey	• 2005 Employee Opinion Survey Findings Report – March 2005 • 2005 Ontario Energy Board Employee Survey – Presentation of Findings – April 2005



